



THE
First National Bank
OF GRAND RIDGE

105 W. MAIN • GRAND RIDGE, IL 61325

PHONE (815) 249-6413
(815) 249-6414 • (815) 249-6246
FAX (815) 249-5210
E MAIL: grbank@crtelco.com

September 19, 2005

Honorable Donald E. Powell
Chairman
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, D.C. 20429

Mr. John F. Carter
Regional Director
Federal Deposit Insurance Corporation
25 Jessie Street at Ecker Square Suite 2300
San Francisco, CA 94105

Re: Comment on FDIC Application #20051977 – Wal-Mart application for Insurance and ILC charter

Dear Chairman Powell and Mr. Carter,

On behalf of The First National Bank of Grand Ridge, its employees, officers, Directors and shareholders, we oppose the issuance to Wal-Mart, an industrial loan company charter (ILC). We further join with our national trade organization, Independent Community Bankers of America; (ICBA) asking you to conduct a public hearing on the application and the serious public policy issues it raises.

Our bank is located in north central Illinois and holds around \$27 million in assets. We are a village with a population of 560 surrounded by prime farmland. Having proudly been in existence for over 102 years, the stockholders of this bank are committed to serving the community. The economy here has endured through the great depression, numerous recessions, droughts and hyperinflation. The village has seen its downtown business of drug store, grocery store, hardware store and implement dealer leave because of competition from the surrounding larger cities. Our bank's customer base is able to maintain and grow due to the excellent transportation system. One is able to live in an excellent community, raise well-educated families, and commute to work.

Wal-Mart is a concern to us. The original founder Mr. Sam Walton's theme of "Made in America", is now long forgotten. Deposits that come into our bank are lent out to our customers. This has allowed Grand Ridge to stay economically viable. Many of our counterparts (other small towns) that lost their banks in the great depression didn't have the resources to maintain schools, village budgets, home improvements and the capital improvements needed to keep the economic engine of these rural areas running. Local deposits mean local investments. Local investments mean economic growth. Economic growth means good jobs. Good jobs allow for viable schools, good hospitals, decent homes and a good quality of life.



A LOCALLY OWNED AND OPERATED INDEPENDENT COMMUNITY BANK

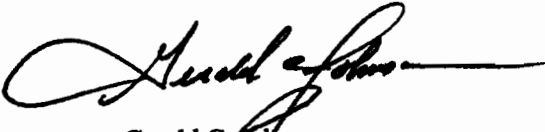
Banking has always been the engine of this machine. We believe that Wal-Mart's entry is invasive. Wal-Mart is a retailer. Many articles have been written on their tactics concerning suppliers and what they do to disfavor their competitors. I particularly like Frontlines expose' "Is Wal-Mart Good for America", which aired last year and can be viewed at <http://www.pbs.org/wgbh/pages/frontline/shows/walmart/view/>.

A drain of deposits from our community to a large retail business would decimate this area. We are not a double-digit growth area. Most years we are not a single digit growth area. What we are is a well-run stable area. An aggressive marketer such as Wal-Mart would not give Grand Ridge a stable source of funds like our shareholders do.

Years ago GM's executives proudly proclaim, "What's good for General Motors is good for America". We fear that "What's good for Wal-Mart is not good for America".

We again ask you to consider the ICBA's call for public hearings so that our trade group may use its resources to dispel the pretension of allowing the world's largest company to mix banking with commerce would be a good thing.

Sincerely,



Gerald C. Johnson
President/CEO